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# Unemployment rate back up to 3.7% in October

Media Release

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**i** Source: [Labour Force, Australia, October 2023](#)

The unemployment rate increased by 0.2 percentage points to 3.7 per cent in October (seasonally adjusted), according to data released today by the Australian Bureau of Statistics (ABS).

Bjorn Jarvis, ABS head of labour statistics, said: "With employment increasing by 55,000 people, and the number of unemployed people increasing by 28,000, the unemployment rate rose to 3.7 per cent in October. This was back to around where it had been in July and August.

"The large increase in employment in October followed a small increase in September of around 8,000 people. Looking over the past two months, these increases equate to average employment growth of around 31,000 people a month, which is slightly lower than the average growth of 35,000 people a month since October 2022."

The employment-to-population ratio increased by 0.1 percentage point to 64.5 per cent. The participation rate also increased by 0.2 percentage points to 67.0 per cent.

## Employment and hours worked

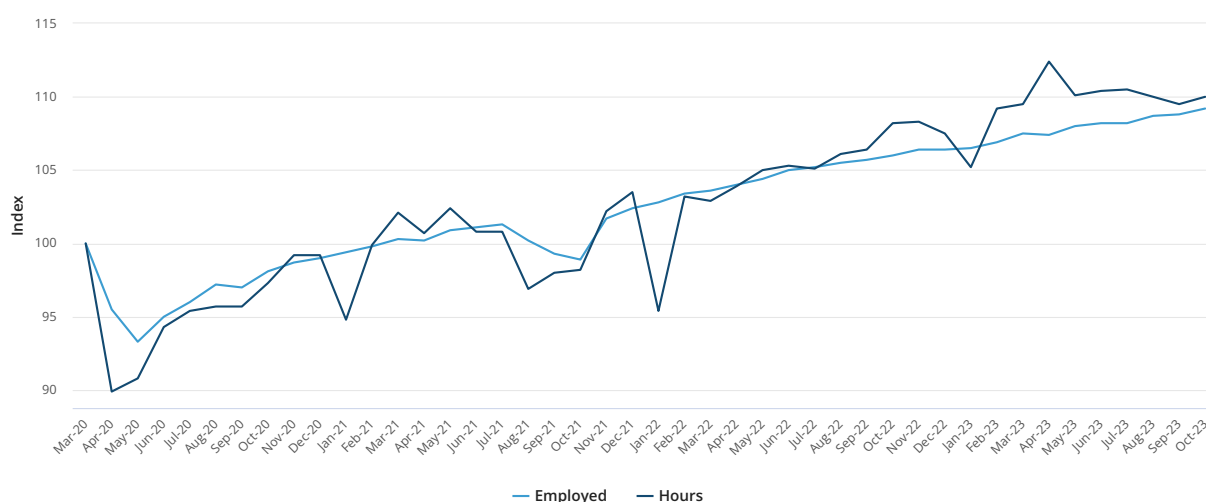
Monthly hours worked increased 0.5 per cent in October 2023, similar to the employment growth of 0.4 per cent. However, the annual growth rate in hours worked had reduced to 1.7 per cent, down from around 5 per cent in the middle of the year, and less than the annual employment growth of 3.0 per cent.

"Compared with the labour market just before the start of the COVID-19 pandemic, the

growth in hours worked was still greater than employment, at 10.0 per cent and 9.2 per cent. However, the gap between them had recently narrowed, having been much higher for most of the period from October 2022 to August 2023.

"The recent slowdown in the growth of hours worked may suggest that the labour market is starting to slow, following a particularly strong period of growth," Mr Jarvis said.

## Seasonally adjusted employment and hours worked, indexed to March 2020



Source: Labour Force, Australia, Tables 1 and 19

## Underemployment and underutilisation

The underemployment rate remained at 6.3 per cent in October, in line with the updated figure for September. While this was 0.4 percentage points higher than October 2022, this was still around 2.4 percentage points lower than before the pandemic.

The underutilisation rate, which combines the unemployment and underemployment rates, rose 0.1 percentage point to 10.0 per cent. This was 0.7 percentage points higher than last October, but 3.9 percentage points lower than March 2020.

## Underlying trend data

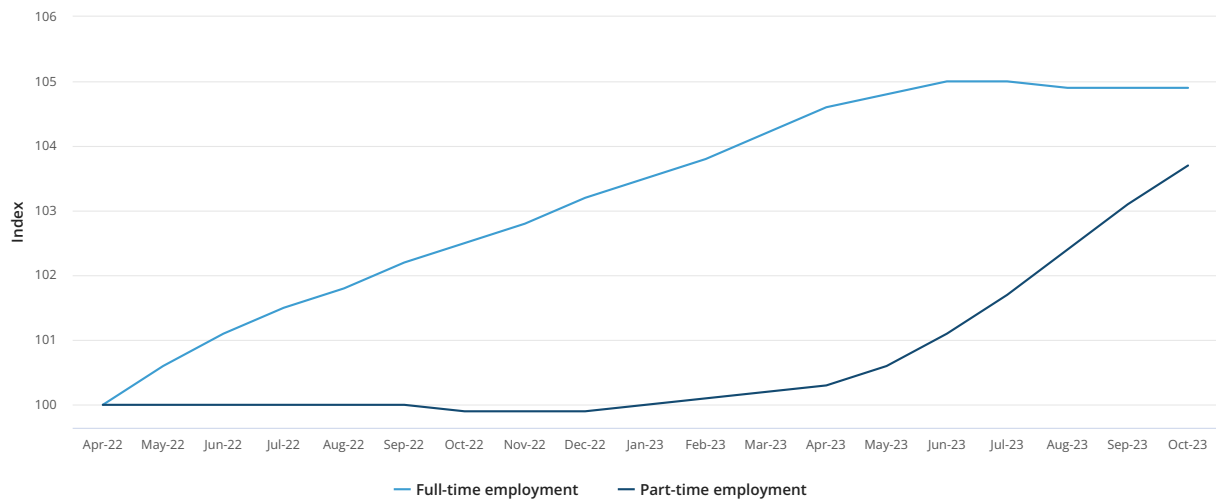
In October, the trend unemployment rate remained at 3.7 per cent, in line with the updated figure for September.

Employment grew by around 28,000 people (0.2 per cent) and hours worked fell 0.1 per cent in October, in trend terms. Over the past year, employment has increased by 2.8 per cent and hours worked by 2.6 per cent.

"In trend terms, growth in hours worked has also been slowing down recently, and has now fallen for the past four months. This suggests a softening in labour demand, compared with the strong growth in hours during 2022-23.

"This slowing in hours is also reflected in the compositional change in employment growth, with part-time employment rising faster since the middle of 2023. In contrast, full-time employment had been increasing steadily through to mid-2023, but has seen very little growth since," Mr Jarvis said.

## Trend full-time and part-time employment, indexed to April 2022



Source: Labour Force, Australia, Table 1

The employment-to-population ratio remained at 64.4 per cent, having been around 64.4 per cent or 64.5 per cent for the past 16 months.

The participation rate dropped from 66.9 per cent to 66.8 per cent, and remained around the levels of the past nine months.

"The relatively high level of the employment-to-population ratio and participation rate shows the ongoing resilience in the labour market, with growth in employment broadly in line with population growth," Mr Jarvis said.

The underemployment rate remained at 6.4 per cent for the fifth straight month.

Further information, including regional labour market information, will be available in the upcoming October 2023 issue of Labour Force, Australia, Detailed, due for release on Thursday 23 November 2023.

The ABS would like to thank Australians for their continued support in responding to our surveys.

## Media notes

- The October survey reference period was from 1 October to 14 October 2023.
- The November survey reference period is from 29 October to 11 November 2023.
- As seen in the recent weekly payroll jobs data, the referendum will have contributed to some temporary growth in employment, hours and participation in October. However, the temporary effect of referendums and elections on Labour Force employment measures cannot be specifically identified. It is important to note that some temporary jobs growth will not translate into employment growth, if a person works in a temporary job as a secondary job. It is also important to note that only the second of the two reference weeks for the survey includes the referendum date.
- Access official, high-resolution images of Bjorn Jarvis and other ABS media spokespeople from our [image library \(/media-centre/abs-image-library\)](#).
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